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USDA ANNOUNCES NEW CONFIDENTIALITY GUIDELINES FOR LIVESTOCK MANDATORY REPORTING PROGRAM

WASHINGTON, Aug. 3, 2001-- The U.S. Department of Agriculture today announced new confidentiality guidelines for the Livestock Mandatory Reporting Program which will increase the number of reports available while protecting the identity of market participants. These changes will become effective Aug. 20.

The new 3/70/20 confidentiality guideline will require the following three conditions:

- At least three reporting entities need to provide data at least 50 percent of the time over the most recent 60-day time period.
- No single reporting entity may provide more than 70 percent of the data for a report over the most recent 60-day time period.
- No single reporting entity may be the sole reporting entity for an individual report more than 20 percent of the time over the most recent 60-day time period.

These changes will enable USDA's Agricultural Marketing Service to issue more frequent and more complete reports on livestock and meat, providing all segments of the livestock and meat industries with information on which to base market decisions, while preserving the confidentiality of proprietary business transactions.

The Livestock Mandatory Reporting Act of 1999 required USDA to publish mandatory data on livestock and meat price trends, contracting arrangements, and supply and demand conditions in a manner that protects the identity of reporting entities and preserves the confidentiality of proprietary transactions.

Since initiating the livestock mandatory reporting program on April 2, USDA has attempted to preserve confidentiality by following a 3/60 reporting guideline. Data was only published in a report if at least three reporting entities had supplied the data, and no single entity was responsible for reporting 60 percent or more of the data.

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-2-

This application of the 3/60 guideline resulted in substantial withholding of data from the public. Between April 2 and June 14, nearly 30 percent of the daily swine and cattle reports were withheld from publication for reasons of confidentiality, while many other reports were released with missing line items or sections.

After reviewing the data collected since the program's inception, USDA determined that the level of market participation is sufficiently diverse to permit the release of much of the data currently being withheld. In order to improve the frequency of data reporting, time frames used to determine required levels of market diversity will be broadened. Other safeguards will be used to prevent one reporting entity from dominating market activity during individual reporting periods.

USDA anticipates that the adoption of the new 3/70/20 confidentiality guideline will result in a significant improvement in the percentage of market information that is released to the public. If the 3/70/20 guideline had been applied between April 2 and June 14, fewer than two percent of the daily swine and cattle reports would have been withheld from publication.

In cases where USDA is still unable to publish collected mandatory data in standard report formats under the revised confidentiality guideline, the department will evaluate options for aggregating and publishing this data over longer time frames.

The notice will be available on AMS's Website today and published in a future issue of the *Federal Register*. For additional information, contact John Van Dyke, Chief, Livestock and Grain Market News, AMS Livestock and Seed Program, USDA Stop 2619, 1400 Independence Ave. SW, Washington, DC 20090-2619; telephone (202) 720-6231; fax (202) 690-3732; or e-mail john.vandyke@usda.gov.

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